

SHOP Employee Minimum Participation Rate

In most states, 70% of your eligible employees must enroll in the plan(s) you offer in order for your small business to participate in the Small Business Health Options Program (SHOP) Marketplace at any point during the year. This percentage may be different in your state. The following states require employers to meet a minimum participation rate other than 70%:

State	SHOP Marketplace minimum participation rate
Iowa	75%
Nevada	75%
New Hampshire	75%
New Jersey	75%
South Dakota	75%
Tennessee	50%
Texas	75%

There's an exception to the minimum participation rule that applies in most states. From November 15 – December 15 each year, you can get coverage through the SHOP Marketplace without having to meet this minimum participation requirement. This allows employers who don't meet the required participation level to offer a SHOP plan.

Upon renewal in 12 months, if you choose to enroll in the same health plan, you'll need to meet SHOP's minimum participation rate.

How the minimum participation rate is calculated

Participation rates in the SHOP Marketplace are calculated by dividing the number of employees enrolling in SHOP Marketplace coverage and those with other coverage (such as insurance from another job, insurance through individual private insurance, another person's/spouse's job, Medicare, Medicaid, TRICARE, VA health care programs, and Indian Health Service) by the number of employees offered SHOP Marketplace coverage.

When doing this calculation: **Don't** include non-employees (owner, spouse of owner, COBRA enrollees, and retirees).



If you don't reach the required minimum participation rate, you have 3 options:

1. **Change your offer of coverage if you want to enroll at any time during the year.** For example, you can increase the amount you contribute to employees' insurance premiums to encourage more of them to participate. If you change your offer, your current offer will be cancelled. You'll start the process over using the information from your initial application. You'll also need to set up a new employee enrollment period.
2. **Enroll between November 15 and December 15.** The minimum participation requirement doesn't apply during this annual enrollment period.
3. **Withdraw your offer of coverage.** If you didn't meet the minimum participation rate when you applied, you can reapply at any time during the same calendar year.

